



**GARY R. HERBERT**  
Governor

**GREG BELL**  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

**MICHAEL R. STYLER**  
Executive Director

### Division of Oil, Gas and Mining

**JOHN R. BAZA**  
Division Director

#### Representatives Present During the Inspection:

OGM Pete Hess Environmental Scientist III

## Inspection Report

Permit Number:	C0070022
Inspection Type:	COMPLETE
Inspection Date:	Monday, April 26, 2010
Start Date/Time:	4/26/2010 8:00:00 AM
End Date/Time:	4/27/2010 10:00:00 AM
Last Inspection:	Wednesday, March 24, 2010

Inspector: Pete Hess, Environmental Scientist III

Weather: Sunny, warm; clouds developing.

InspectionID Report Number: 2336

Accepted by: jhelfric

5/6/2010

Permittee: **SAVAGE SERVICES CORP**

Operator: **SAVAGE SERVICES CORP**

Site: **SAVAGE COAL TERMINAL**

Address: **6340 S 3000 E STE 600, SALT LAKE CITY UT 84121**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

#### Current Acreages

153.46	<b>Total Permitted</b>
132.50	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### Mineral Ownership

- ☐ Federal  
☐ State  
☐ County  
☐ Fee  
☒ Other

#### Types of Operations

- ☒ Underground  
☒ Surface  
☒ Loadout  
☐ Processing  
☐ Reprocessing

#### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The 4th Quarter surface and ground water monitoring data for the SCT permit area has been uploaded into the Division's water monitoring permanent data base. Only two points, CV-1-W (pumphouse sump) and S-2-GW (well south of Pond 5) had reportable data. The Permittee continues to meet the Special Condition included in Attachment "A" of the State permit requiring electronic submittal of quarterly data.

Mr. Garth Nielsen, General Manager, represented the Permittee during today's inspection.

Mr. John Walters is Project Engineer at the facility.

Inspector's Signature:

*Pete Hess*

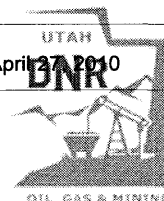
Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Date

Tuesday, April 27, 2010

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.  
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • [www.ogm.utah.gov](http://www.ogm.utah.gov)



**REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
  - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
  - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**4.b Hydrologic Balance: Sediment Ponds and Impoundments**

Mr. Dan Guy, P.E., conducted the 1st Quarter 2010 impoundment inspections for the five sediment ponds and the four fine coal slurry cells on March 18, 2010. On March 18, 2010, cell #3 was the active slurry impoundment. Cell #1 is drying, so the material can be cleaned.

**4.d Hydrologic Balance: Water Monitoring**

4th Quarter water monitoring data for the Coal Terminal permit area was reviewed. Of the five sites being monitored, only CV-1-W (pump house sump) and S-2-GW (Well south of Pond 5) had reportable data. The other sites were reported as dry or no flow. Discharge monitoring reports for January and February 2010 were reviewed. UPDES outfall #001 (Sediment pond 6 open channel spillway to un-named ditch reporting to Price River). "No discharge" was reported for both months.

**4.e Hydrologic Balance: Effluent Limitations**

The current UPDES permit (UTG 040005) for the site remains in effect through April 30, 2013. The site only has one permitted outfall (001).

**7. Coal Mine Waste, Refuse Piles, Impoundments**

Mr. Dan Guy performed the first quarter of 2010 waste rock pile inspection on March 18, 2010. All slopes were reported as stable. The P.E. certification was performed on the same day. The Permittee is actively re-mining the waste rock disposal site, recovering material from the north and west sides. The diversion which drains the top of the pile toward the ditches reporting to pond #5 is on the verge of being mined through. Also, the Permittee has not maintained the diversions which convey north side runoff from the pile toward pond #5. Mr. Nielsen stated that they are working to move the pile back toward the south to provide for more coal storage. The approved plan for the removal of the refuse states that all environmental control (i.e., drainage) will be maintained during the recovery of the pile. Mr. Nielsen was instructed to have the drainage diversions functional within one week (by May 4, 2010).

**16.b Roads: Drainage Controls**

The Permittee is addressing maintenance issues associated with road drainage. Several ditches remain on the "to do" list.

**17. Other Transportation Facilities**

The Division understands that with the pending shutdown of the Wildcat Loadout facility, all trains going to IPA will be loaded out of the Savage Terminal.

**20. Air Quality Permit**

The current air quality approval order was approved on May 15, 2008. The approved throughput for the Coal Terminal is 10 MTPY.

**21. Bonding and Insurance**

The current amount of reclamation bond for this site amounts to \$ 2,525,000. The Bond is a surety, issued by the Liberty Mutual Insurance Company, which has an A.M. Best rating of "A". The general liability insurance for the site was renewed on April 1, 2010, for a period of one year. The new ACORD form meets all requirements of the R645 Coal Mining Rules.

**22. Other**

The Division completed the review of the 2009 Annual Report for the Coal Terminal on March 28, 2010. The Permittee addressed all of the pending permit conditions for 2009. The Division requests that the ground water monitoring parameter list (which should be performed every five years) be included in the Savage MRP to avoid future confusion. This is the same parameter list established in the NEICO / Wellington MRP, C/007/012.